

IDAHO OUTLOOK

NEWS OF IDAHO'S ECONOMY AND BUDGET

STATE OF IDAHO

DIVISION OF FINANCIAL MANAGEMENT NOVEMBER 2005 VOLUME XXVIII NO. 5

The populations of some of Idaho's fastest growing areas drop daily. Not to worry, though. Their populations also increase daily. The populations we are talking about are their daytime populations. That is, the number of persons in an area during working hours. These population swings are largely affected by commuting patterns of workers and can be quite significant—just ask anyone commuting on I84 during the morning or afternoon rush hours.

The U.S. Census Bureau has calculated the daytime population for many American cities for the first time. Using data from Census 2000, the numbers of workers moving in and out of different areas were used to establish daytime populations. These estimates provide a significant additional dimension to the nation's population picture. Most people are familiar with the U.S. Census Bureau's annual population estimates. Unfortunately, these data provide no information on the daytime population of an area. Finally, we now have a measure of the daily population ebb and flow for some of our cities.

According to the Census Bureau, New York City had the nation's largest daytime population of more than 8.5 million persons in 2000 thanks to a daily influx of over one-half million (7%) persons. Other large cities that expanded during daytime hours were Washington, D.C. (72%), Atlanta (62%), Tampa (48%), and Pittsburgh and Boston (both around 41%). The daytime populations of the largest cities in Idaho and its surrounding states also increased daily. Salt Lake City's population expanded 131,000 (72%). Other cities

that grew by more than 100,000 persons during the day were Seattle at 160,000 (28%) and Portland at 122,000 (23%). Boise was in the middle of the pack, with a daily population increase of 31,000 (17%). Las Vegas gained 11,000 (2%), Billings increased 10,000 (11%), and Cheyenne grew 3,400 (6%).

All of the cities above are net job importers. That is, they attract more workers into their borders than they ship outside of their borders. This is typical for large cities because they are usually the employment centers. The populations of areas near these cities (often referred to as bedroom communities) decline during the day as workers travel to their jobs. This can be seen in the accompanying table that displays the daytime populations for several Idaho cities in 2000. Not surprisingly, the table shows Boise was a job importer. Notice that Boise's daytime population of 217,000 was higher than its resident population of 186,000. The 31,000 difference between the daytime and resident populations is the number of persons who work in Boise but live somewhere else. These workers came from surrounding areas such as Eagle, Kuna, and Meridian, all of which were net exporters of labor.

A couple of interesting items can be gleaned from the table. First, it appears a city's drawing power is not solely a function of the size of its resident population. For example, Ketchum, Idaho, home of the Sun Valley ski area, had a resident population of about 3,000 in the year 2000. However, its daytime population was nearly double its resident population due to the net

Idaho Daytime Population

City	Population		
	Resident	Daytime	Difference
Boise	185,787	216,661	30,874
Idaho Falls	50,730	62,002	11,272
Coeur d'Alene	34,514	41,532	7,018
Twin Falls	34,469	40,665	6,196
Sandpoint	6,835	10,424	3,589
Lewiston	30,904	34,029	3,125
Nampa	51,867	54,847	2,980
Ketchum	3,003	5,715	2,712
Burley	9,316	11,560	2,244
Moscow	21,291	23,252	1,961
Rexburg	17,257	19,173	1,916
Pocatello	51,466	53,165	1,699
Blackfoot	10,419	11,715	1,296
Garden	10,624	11,352	728
Caldwell	25,967	26,009	42
Jerome	7,780	7,722	(58)
Payette	7,054	6,724	(330)
Hailey	6,200	5,627	(573)
Mountain Home	11,143	9,976	(1,167)
Ammon	6,187	4,953	(1,234)
Hayden	9,159	7,899	(1,260)
Post Falls	17,247	15,948	(1,299)
Chubbuck	9,700	8,305	(1,395)
Kuna	5,382	3,756	(1,626)
Eagle	11,085	8,594	(2,491)
Meridian	34,919	30,928	(3,991)

Source: U.S. Census Bureau. Based on Census 2000 data.

import of 2,700 workers. Second, a smaller city's location near a larger city does not mean it will lose population to the larger city. Nampa is a case in point. Nampa shares a border with Boise and its resident population is less than a third of Boise's population. Given Nampa's proximity to Boise we would expect it to be a net job exporter. However, Nampa was a net importer of workers in 2000. It will be interesting to see whether other cities continue to export jobs or become job importers in the future.

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General Fund Update

As of October 31, 2005

<u>Revenue Source</u>	\$ Millions		
	FY06 Executive Estimate ³	DFM Predicted to Date	Actual Accrued to Date
Individual Income tax	1,089.9	309.7	322.8
Corporate Income tax	155.8	43.3	49.1
Sales Tax	827.8	308.8	323.2
Product Taxes ¹	23.1	8.1	8.3
Miscellaneous	107.1	29.5	29.1
TOTAL GENERAL FUND²	2,203.7	699.4	732.5

¹ Product Taxes include beer, wine, liquor, tobacco and cigarette taxes
² May not total due to rounding
³ Revised Estimate as of August 2005

General Fund revenue exceeded expectations by \$11.5 million in October, matching September's performance and bringing the fiscal year-to-date excess to \$33.1 million. Over 90% of October's strength (\$10.6 million) was in the individual income tax. All other categories were within one-half million dollars of the predicted amounts for the month.

Individual income tax revenue was \$10.6 million higher than expected in October, and now stands \$13.1 million above the predicted amount for the first third of this fiscal year. October's strength was split between filing payments (\$6.9 million higher than expected) and withholding collections (\$4.0 million higher than expected). Refunds were \$0.3 million higher than expected. On a fiscal year-to-date basis the detailed results paint a somewhat different picture. Filing payments are

\$14.5 million higher than predicted, withholding collections are \$0.9 million lower than predicted, refunds are \$1.5 million higher than predicted, and miscellaneous diversions are \$0.9 million lower than expected. October's strong filing payments are most likely associated with extensions of returns due last April. In a nutshell, this fiscal year's strength in the individual income tax appears to be a ripple related to last fiscal year's April surprise.

Corporate income tax revenue was \$0.4 million higher than expected in October, bringing the year-to-date excess to \$5.8 million. The two primary sources of the year-to-date excess are estimated payments that are \$2.3 million higher than predicted and refunds that are \$2.6 million lower than predicted as of the end of October.

Sales tax revenue was \$0.4 million higher than expected in October, making this the fourth straight month of higher-than-predicted sales tax collections. However, October's excess is the smallest of the fiscal year so far, coming in at less than 10% of the gain achieved in the months of July through September. Nonetheless, a comfortable cushion of \$14.4 million now exists in this revenue source.

Product taxes were slightly ahead of target in October (on strong tobacco tax collections), but the year-to-date excess remains at \$0.2 million. Miscellaneous revenue was \$0.1 million higher than expected for the month due to a combination of larger-than-expected DEQ fines (\$0.5 million) offset by modest weakness in the insurance premium tax, estate tax, and interest earnings which were a combined \$0.4 million lower than expected.